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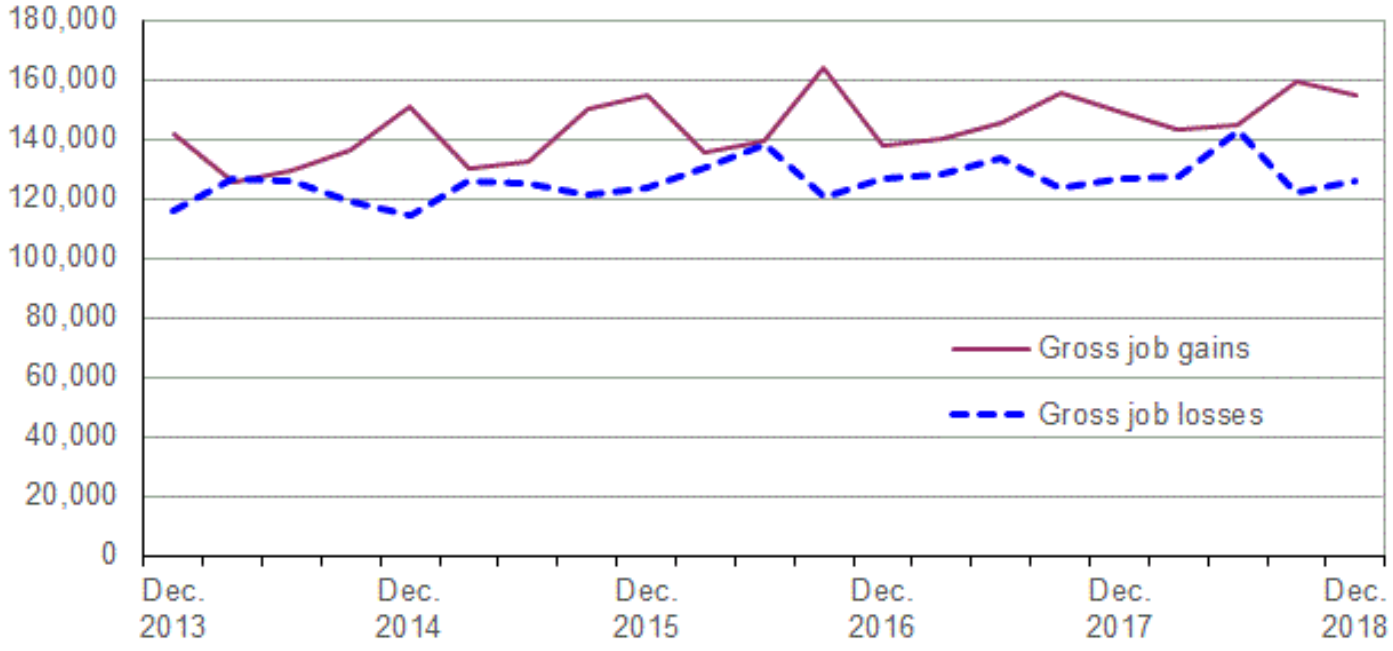
WESTERN INFORMATION OFFICE: San Francisco, Calif.
Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west
Media contact: (415) 625-2270

Business Employment Dynamics in Arizona – Fourth Quarter 2018

From September 2018 to December 2018, gross job gains from opening and expanding private-sector establishments in Arizona totaled 154,603, while gross job losses from closing and contracting private-sector establishments numbered 125,642, the U.S. Bureau of Labor Statistics reported today. Richard Holden, the Bureau's Assistant Commissioner for Regional Operations, noted that the difference between the number of gross job gains and the number of gross job losses yielded a net employment gain of 28,961. During the previous quarter, gross job gains exceeded gross job losses by 37,428.

Chart 1. Private sector gross job gains and losses in Arizona, December 2013–December 2018, seasonally adjusted

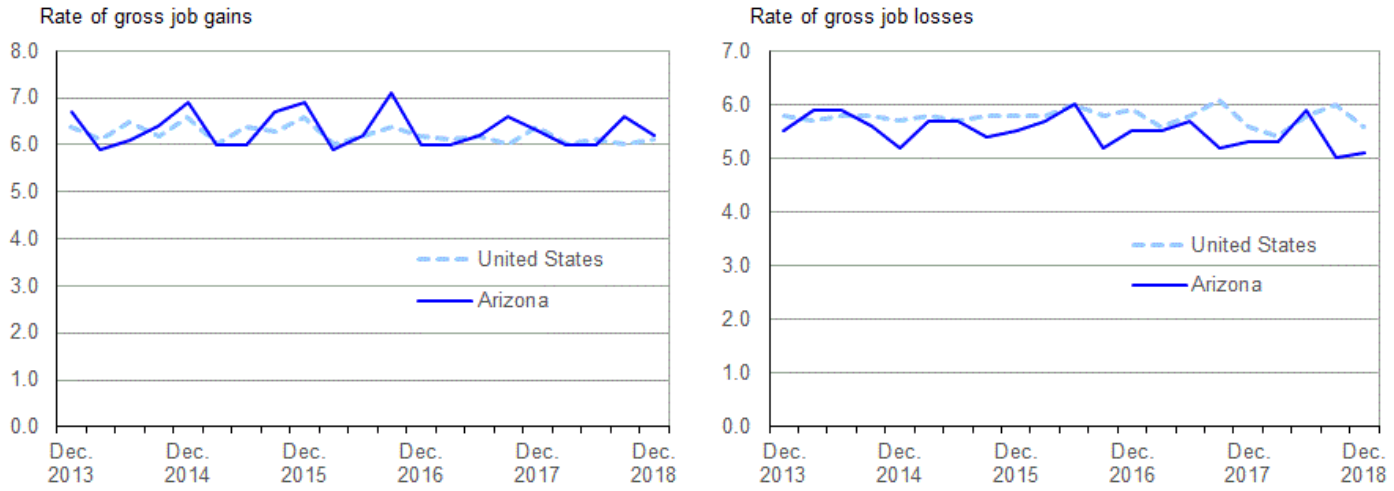


Source: U.S. Bureau of Labor Statistics.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. Business Employment Dynamics (BED) statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. The difference between the number of gross job gains and the number of gross job losses is the net change in employment. (See the Technical Note for more information.)

Arizona's number of gross job gains decreased by 5,030 during the fourth quarter of 2018, following an increase of 14,775 in the previous quarter. Gross job losses rose by 3,437 in the fourth quarter of 2018, after decreasing by 20,279 in the previous quarter. The net gain of 28,961 jobs in the fourth quarter of 2018 marked the 19th consecutive quarter of net employment gains in Arizona. (See chart 1.)

Chart 2. Private sector gross job gains and losses as a percent of employment, United States and Arizona, December 2013–December 2018, seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Gross job gains represented 6.2 percent of private-sector employment in Arizona in the fourth quarter of 2018, while gross job losses accounted for 5.1 percent of employment. Nationally, gross job gains and gross job losses accounted for 6.1 and 5.6 percent of private-sector employment, respectively. (See chart 2.) The rate of gross job gains in Arizona has been above the U.S. rate the past 2 quarters, while the gross job loss rate has been below the national average for the past 2 quarters.

During the fourth quarter of 2018, gross job gains exceeded gross job losses in 10 of the 11 industry sectors in Arizona. For example, within professional and business services, gross job gains exceeded gross job losses by 6,907. While 33,027 jobs were gained in opening and expanding establishments in the industry, 26,120 jobs were lost by closing and contracting establishments in the fourth quarter of 2018. In construction, 14,257 jobs were created in opening and expanding establishments, while 9,542 jobs were lost in closing and contracting establishments. (See table 1.)

In contrast, the other services industry sector had a net employment loss, where gross job losses exceeded gross job gains by 246.

Additional statistics and other information

BED data for the states have been included in table 2 of this release. For more information on the Business Employment Dynamics data, visit the BED web site at www.bls.gov/bdm/.

The Business Employment Dynamics for the First Quarter 2019 are scheduled to be released on Wednesday, October 30, 2019.

Technical Note

The Business Employment Dynamics (BED) data are a product of a federal-state cooperative program known as Quarterly Census of Employment and Wages (QCEW), or the ES-202 program. The BED data are compiled by the U.S. Bureau of Labor Statistics (BLS) from existing QCEW records. Most employers in the U.S. are required to file quarterly reports on the employment and wages of workers covered by unemployment insurance (UI) laws, and to pay quarterly UI taxes. The QCEW is based largely on quarterly UI reports which are sent by businesses to the State Workforce Agencies (SWAs). These UI reports are supplemented by two additional BLS data collections to render administrative data into economic statistics. Together these data comprise the QCEW and form the basis of the Bureau's establishment universe sampling frame.

In the BED program, the quarterly QCEW records are linked across quarters to provide a longitudinal history for each establishment. The linkage process allows the tracking of net employment changes at the establishment level, which in turn allows the estimation of jobs gained at opening and expanding establishments and jobs lost at closing and contracting establishments.

The change in the number of jobs over time is the net result of increases and decreases in employment that occur at all businesses in the economy. BED statistics track these changes in employment at private business establishments from the third month of one quarter to the third month of the next. Gross job gains are the sum of increases in employment from expansions at existing establishments and the addition of new jobs at opening establishments. Gross job losses are the result of contractions in employment at existing establishments and the loss of jobs at closing establishments. The difference between the number of gross jobs gained and the number of gross jobs lost is the net change in employment.

Gross job gains and gross job losses are expressed as rates by dividing their levels by the average of employment in the current and previous quarters. The rates are calculated for the components of gross job gains and gross job losses and then summed to form their respective totals. These rates can be added and subtracted just as their levels can. For instance, the difference between the gross job gains rate and the gross job losses rate is the net growth rate.

The formal definitions of employment changes are as follows:

Openings. These are either establishments with positive third month employment for the first time in the current quarter, with no links to the prior quarter, or with positive third month employment in the current quarter following zero employment in the previous quarter.

Expansions. These are establishments with positive employment in the third month in both the previous and current quarters, with a net increase in employment over this period.

Closings. These are either establishments with positive third month employment in the previous quarter, with no employment or zero employment reported in the current quarter.

Contractions. These are establishments with positive employment in the third month in both the previous and current quarters, with a net decrease in employment over this period.

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Table 1. Private sector gross job gains and losses by industry, Arizona, seasonally adjusted

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Dec. 2017	Mar. 2018	June 2018	Sept 2018	Dec. 2018	Dec. 2017	Mar. 2018	June 2018	Sept 2018	Dec. 2018
Total private [1]										
Gross job gains	149,164	143,329	144,858	159,633	154,603	6.3	6.0	6.0	6.6	6.2
At expanding establishments	120,882	117,381	115,520	132,895	126,692	5.1	4.9	4.8	5.5	5.1
At opening establishments	28,282	25,948	29,338	26,738	27,911	1.2	1.1	1.2	1.1	1.1
Gross job losses	126,322	127,123	142,484	122,205	125,642	5.3	5.3	5.9	5.0	5.1
At contracting establishments	99,917	103,480	115,530	100,915	101,064	4.2	4.3	4.8	4.1	4.1
At closing establishments	26,405	23,643	26,954	21,290	24,578	1.1	1.0	1.1	0.9	1.0
Net employment change [2]	22,842	16,206	2,374	37,428	28,961	1.0	0.7	0.1	1.6	1.1
Construction										
Gross job gains	13,055	13,143	12,980	12,667	14,257	8.7	8.6	8.3	8.0	8.8
At expanding establishments	11,070	11,494	10,920	10,959	12,286	7.4	7.5	7.0	6.9	7.6
At opening establishments	1,985	1,649	2,060	1,708	1,971	1.3	1.1	1.3	1.1	1.2
Gross job losses	9,352	10,655	11,809	10,605	9,542	6.2	6.9	7.6	6.7	5.8
At contracting establishments	7,709	8,437	9,676	9,052	7,699	5.1	5.5	6.2	5.7	4.7
At closing establishments	1,643	2,218	2,133	1,553	1,843	1.1	1.4	1.4	1.0	1.1
Net employment change [2]	3,703	2,488	1,171	2,062	4,715	2.5	1.7	0.7	1.3	3.0
Manufacturing										
Gross job gains	6,583	6,194	6,325	6,321	6,784	3.9	3.7	3.7	3.7	4.0
At expanding establishments	5,859	5,681	5,780	5,508	6,158	3.5	3.4	3.4	3.2	3.6
At opening establishments	724	513	545	813	626	0.4	0.3	0.3	0.5	0.4
Gross job losses	4,756	4,638	5,537	4,839	5,183	2.8	2.7	3.3	2.8	3.0
At contracting establishments	3,872	3,891	3,913	4,120	3,938	2.3	2.3	2.3	2.4	2.3
At closing establishments	884	747	1,624	719	1,245	0.5	0.4	1.0	0.4	0.7
Net employment change [2]	1,827	1,556	788	1,482	1,601	1.1	1.0	0.4	0.9	1.0
Wholesale trade										
Gross job gains	4,314	4,505	4,828	5,984	4,491	4.5	4.7	5.0	6.1	4.5
At expanding establishments	3,489	3,805	4,145	4,790	3,577	3.6	4.0	4.3	4.9	3.6
At opening establishments	825	700	683	1,194	914	0.9	0.7	0.7	1.2	0.9
Gross job losses	4,212	3,959	4,023	4,441	4,346	4.4	4.1	4.2	4.5	4.4
At contracting establishments	3,022	2,985	2,893	3,555	3,326	3.2	3.1	3.0	3.6	3.4
At closing establishments	1,190	974	1,130	886	1,020	1.2	1.0	1.2	0.9	1.0
Net employment change [2]	102	546	805	1,543	145	0.1	0.6	0.8	1.6	0.1
Retail trade										
Gross job gains	18,139	16,751	17,885	18,900	17,430	5.5	5.2	5.5	5.8	5.3
At expanding establishments	16,183	15,284	15,394	16,634	15,738	4.9	4.7	4.7	5.1	4.8
At opening establishments	1,956	1,467	2,491	2,266	1,692	0.6	0.5	0.8	0.7	0.5
Gross job losses	16,543	15,667	17,621	15,466	15,565	5.0	4.8	5.4	4.7	4.7
At contracting establishments	14,351	14,062	15,461	13,721	13,492	4.3	4.3	4.7	4.2	4.1
At closing establishments	2,192	1,605	2,160	1,745	2,073	0.7	0.5	0.7	0.5	0.6
Net employment change [2]	1,596	1,084	264	3,434	1,865	0.5	0.4	0.1	1.1	0.6
Transportation and warehousing										
Gross job gains	5,664	3,972	5,137	5,549	7,446	6.7	4.2	5.4	5.8	7.5
At expanding establishments	4,756	3,135	4,566	4,909	5,735	5.6	3.3	4.8	5.1	5.8
At opening establishments	908	837	571	640	1,711	1.1	0.9	0.6	0.7	1.7
Gross job losses	3,237	5,150	3,851	3,848	3,019	3.9	5.5	4.1	4.0	3.1
At contracting establishments	2,600	4,620	3,168	3,479	2,360	3.1	4.9	3.4	3.6	2.4
At closing establishments	637	530	683	369	659	0.8	0.6	0.7	0.4	0.7
Net employment change [2]	2,427	-1,178	1,286	1,701	4,427	2.8	-1.3	1.3	1.8	4.4
Information										
Gross job gains	2,302	2,083	2,518	2,386	3,000	5.1	4.4	5.4	5.1	6.3
At expanding establishments	1,748	1,753	2,208	1,935	2,626	3.9	3.7	4.7	4.1	5.5
At opening establishments	554	330	310	451	374	1.2	0.7	0.7	1.0	0.8
Gross job losses	1,688	2,295	2,734	2,537	1,967	3.7	4.9	5.8	5.4	4.1

Note: See footnotes at end of table.

Table 1. Private sector gross job gains and losses by industry, Arizona, seasonally adjusted - Continued

Category	Gross job gains and job losses (3 months ended)					Gross job gains and job losses as a percent of employment (3 months ended)				
	Dec. 2017	Mar. 2018	June 2018	Sept 2018	Dec. 2018	Dec. 2017	Mar. 2018	June 2018	Sept 2018	Dec. 2018
At contracting establishments	1,237	1,929	2,388	2,127	1,538	2.7	4.1	5.1	4.5	3.2
At closing establishments	451	366	346	410	429	1.0	0.8	0.7	0.9	0.9
Net employment change [2]	614	-212	-216	-151	1,033	1.4	-0.5	-0.4	-0.3	2.2
Financial activities										
Gross job gains	9,393	10,173	10,710	10,960	10,589	4.5	4.8	5.1	5.1	4.9
At expanding establishments	7,252	8,664	8,430	8,978	8,262	3.5	4.1	4.0	4.2	3.8
At opening establishments	2,141	1,509	2,280	1,982	2,327	1.0	0.7	1.1	0.9	1.1
Gross job losses	8,907	8,724	9,267	8,930	9,836	4.2	4.1	4.4	4.2	4.6
At contracting establishments	6,949	6,590	7,340	7,029	7,702	3.3	3.1	3.5	3.3	3.6
At closing establishments	1,958	2,134	1,927	1,901	2,134	0.9	1.0	0.9	0.9	1.0
Net employment change [2]	486	1,449	1,443	2,030	753	0.3	0.7	0.7	0.9	0.3
Professional and business services										
Gross job gains	31,648	25,908	28,340	32,138	33,027	7.5	6.1	6.7	7.5	7.5
At expanding establishments	26,654	21,676	23,772	27,120	27,342	6.3	5.1	5.6	6.3	6.2
At opening establishments	4,994	4,232	4,568	5,018	5,685	1.2	1.0	1.1	1.2	1.3
Gross job losses	23,647	26,418	30,073	24,818	26,120	5.5	6.3	7.1	5.8	6.0
At contracting establishments	18,357	21,911	23,785	20,116	20,453	4.3	5.2	5.6	4.7	4.7
At closing establishments	5,290	4,507	6,288	4,702	5,667	1.2	1.1	1.5	1.1	1.3
Net employment change [2]	8,001	-510	-1,733	7,320	6,907	2.0	-0.2	-0.4	1.7	1.5
Education and health services										
Gross job gains	18,930	17,474	18,853	23,317	18,977	4.5	4.0	4.3	5.3	4.3
At expanding establishments	15,975	14,958	14,969	20,318	15,867	3.8	3.4	3.4	4.6	3.6
At opening establishments	2,955	2,516	3,884	2,999	3,110	0.7	0.6	0.9	0.7	0.7
Gross job losses	15,249	15,468	18,968	14,800	14,764	3.6	3.6	4.4	3.3	3.3
At contracting establishments	12,322	12,570	16,001	11,979	11,565	2.9	2.9	3.7	2.7	2.6
At closing establishments	2,927	2,898	2,967	2,821	3,199	0.7	0.7	0.7	0.6	0.7
Net employment change [2]	3,681	2,006	-115	8,517	4,213	0.9	0.4	-0.1	2.0	1.0
Leisure and hospitality										
Gross job gains	22,912	24,867	21,788	26,125	23,655	7.1	7.7	6.7	8.0	7.2
At expanding establishments	17,844	19,444	17,290	21,575	19,217	5.5	6.0	5.3	6.6	5.8
At opening establishments	5,068	5,423	4,498	4,550	4,438	1.6	1.7	1.4	1.4	1.4
Gross job losses	22,639	20,896	23,709	21,645	22,346	7.1	6.5	7.3	6.6	6.8
At contracting establishments	18,561	18,002	19,571	18,226	18,169	5.8	5.6	6.0	5.6	5.5
At closing establishments	4,078	2,894	4,138	3,419	4,177	1.3	0.9	1.3	1.0	1.3
Net employment change [2]	273	3,971	-1,921	4,480	1,309	0.0	1.2	-0.6	1.4	0.4
Other services [3]										
Gross job gains	4,533	4,365	5,181	5,230	4,613	6.5	6.2	7.2	7.2	6.2
At expanding establishments	3,517	3,194	3,960	4,285	3,551	5.0	4.5	5.5	5.9	4.8
At opening establishments	1,016	1,171	1,221	945	1,062	1.5	1.7	1.7	1.3	1.4
Gross job losses	3,824	4,196	4,587	4,402	4,859	5.5	5.9	6.4	6.0	6.6
At contracting establishments	2,834	3,176	3,343	3,537	3,759	4.1	4.5	4.7	4.8	5.1
At closing establishments	990	1,020	1,244	865	1,100	1.4	1.4	1.7	1.2	1.5
Net employment change [2]	709	169	594	828	-246	1.0	0.3	0.8	1.2	-0.4

Footnotes:
(1) Includes unclassified sector not shown separately.
(2) The net employment change is the difference between total gross job gains and total gross job losses. See the Technical Note for further information.
(3) Except public administration.

Table 2. Private sector gross job gains and losses as a percent of total employment by state, seasonally adjusted

Category	Gross job gains as a percent of employment (3 months ended)					Gross job losses as a percent of employment (3 months ended)				
	Dec. 2017	Mar. 2018	June 2018	Sept. 2018	Dec. 2018	Dec. 2017	Mar. 2018	June 2018	Sept. 2018	Dec. 2018
United States(1)	6.4	6.0	6.1	6.0	6.1	5.6	5.4	5.8	6.0	5.6
Alabama	6.0	6.0	5.8	5.9	6.3	5.4	5.3	5.7	5.9	5.3
Alaska	9.7	9.8	10.9	8.9	10.9	10.2	8.8	10.7	10.6	9.7
Arizona	6.3	6.0	6.0	6.6	6.2	5.3	5.3	5.9	5.0	5.1
Arkansas	6.1	5.4	5.0	6.0	5.8	5.1	5.0	5.6	5.5	4.9
California	6.9	6.4	6.7	6.5	6.7	6.0	5.9	6.3	6.2	5.9
Colorado	6.8	6.8	6.8	6.6	6.8	6.1	6.0	6.1	6.8	6.0
Connecticut	5.3	5.1	5.8	5.2	5.3	5.2	5.2	5.0	5.6	4.9
Delaware	7.0	7.1	6.5	5.6	6.6	6.4	5.9	6.0	6.6	5.7
District of Columbia	5.8	6.0	5.6	5.3	5.6	5.0	4.7	5.5	5.5	5.1
Florida	8.2	6.1	6.5	6.7	6.3	5.3	5.5	6.1	5.7	5.9
Georgia	6.9	6.5	6.2	6.7	6.3	5.6	5.6	6.4	6.2	5.7
Hawaii	5.1	5.0	5.2	5.1	5.7	4.7	4.8	5.5	5.5	5.1
Idaho	7.4	7.9	7.3	6.8	7.4	6.6	5.9	6.7	6.9	6.3
Illinois	6.0	5.7	5.6	5.6	5.6	5.3	5.1	5.5	5.7	5.6
Indiana	5.7	5.6	5.4	5.2	5.6	5.0	5.1	5.5	5.4	4.9
Iowa	5.9	5.5	5.7	5.3	5.8	5.3	5.3	5.4	5.7	5.3
Kansas	5.9	5.2	5.7	5.9	6.1	5.2	5.5	5.6	5.7	5.4
Kentucky	6.1	6.2	5.9	5.7	6.1	5.6	5.9	5.6	6.0	5.5
Louisiana	6.2	6.5	6.1	6.2	6.2	6.0	5.8	6.5	6.2	5.7
Maine	7.2	7.2	8.1	6.0	7.3	6.6	7.0	7.1	7.5	6.3
Maryland	6.2	6.3	6.0	6.3	6.8	6.3	5.7	5.8	6.6	6.4
Massachusetts	5.7	5.4	6.1	5.5	5.8	5.4	5.2	5.4	6.2	5.3
Michigan	5.7	5.7	5.6	5.0	5.7	5.4	4.6	5.1	6.2	5.2
Minnesota	5.8	5.3	5.8	5.4	5.7	5.5	5.0	5.3	5.7	5.4
Mississippi	6.3	5.5	5.7	5.8	6.4	5.4	5.8	6.0	5.7	5.2
Missouri	5.7	5.4	5.7	5.9	5.8	5.5	5.2	5.7	6.0	5.4
Montana	8.5	7.8	8.0	7.2	9.0	7.4	7.1	7.8	7.9	7.2
Nebraska	6.2	5.6	5.9	5.8	5.9	5.5	5.5	5.8	6.0	5.8
Nevada	6.6	6.5	6.1	6.7	6.6	5.2	5.4	5.8	5.6	5.3
New Hampshire	6.7	6.1	6.7	5.6	6.7	5.9	5.9	6.3	6.8	5.7
New Jersey	6.4	5.6	6.5	6.0	6.3	5.8	5.8	5.7	6.3	5.6
New Mexico	6.5	6.3	6.5	6.4	6.7	6.1	5.5	6.2	6.4	6.0
New York	6.2	6.2	6.3	6.1	6.2	5.8	5.6	5.8	6.4	5.7
North Carolina	6.3	6.2	6.1	5.6	6.7	5.5	5.2	5.5	6.5	5.3
North Dakota	6.8	7.0	6.7	6.6	6.8	6.8	6.3	6.2	6.6	6.2
Ohio	5.7	5.5	5.6	5.3	5.6	5.2	5.0	5.4	5.7	5.2
Oklahoma	6.4	6.1	6.3	6.6	6.4	5.8	5.5	6.5	6.1	6.0
Oregon	6.8	7.8	6.2	6.2	6.7	6.0	5.6	6.2	6.3	5.9
Pennsylvania	5.5	5.2	5.3	5.4	5.3	5.0	4.9	5.1	5.2	4.7
Rhode Island	6.6	6.3	6.3	6.2	6.4	6.0	6.1	6.1	6.4	5.7
South Carolina	7.0	5.9	7.5	5.8	7.4	5.3	4.7	6.5	6.5	5.4
South Dakota	6.4	6.4	6.1	5.9	6.3	5.7	5.9	6.1	5.8	5.8
Tennessee	5.9	5.0	5.5	5.8	5.8	4.9	4.8	5.1	5.2	4.9
Texas	6.4	5.8	5.9	5.9	6.1	5.3	5.1	5.2	5.4	5.1
Utah	7.0	7.4	6.9	7.3	6.9	5.9	6.0	6.3	6.5	6.1
Vermont	7.4	6.4	7.2	6.9	7.4	6.5	7.0	7.3	7.4	6.8
Virginia	6.3	5.8	6.1	5.6	6.2	5.5	5.2	5.8	6.3	5.5
Washington	6.9	7.2	7.3	6.1	6.5	6.0	5.7	6.3	6.3	5.6
West Virginia	6.3	6.8	6.8	7.0	6.3	6.1	5.8	6.4	6.4	6.5
Wisconsin	5.6	5.6	5.4	5.1	5.4	5.0	4.7	5.5	5.9	4.9
Wyoming	8.7	8.4	8.2	8.2	10.0	8.4	8.0	8.3	8.3	7.8
Puerto Rico	7.1	8.4	8.0	7.2	6.0	11.8	6.8	6.2	5.8	6.7
Virgin Islands	9.2	12.0	12.5	10.9	8.3	28.2	16.8	8.6	6.3	7.8

Note: See footnotes at end of table.

Footnotes
(1) Totals for the United States do not include data for Puerto Rico or the Virgin Islands.